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SUBJECT: PSI OPERATIONAL EXPERTS GROUP MEETING IN LONDON,  
UK (FEBRUARY 4-6, 2008)

#### SUMMARY

11. The sixteenth Proliferation Security Initiative (PSI) Operational Experts Group (OEG) meeting took place in London, UK on February 4-6, 2008. Immediately following the OEG on February 7, the UK Ministry of Defense hosted an outreach day with six invited countries from the Gulf/Levant region. Information contained in this cable is provided for Posts, information and is not to be passed to non-OEG participant governments. A follow-on cable septel will provide a non-paper to pass to host nation governments of all PSI-endorsing states to keep them abreast of developments in the PSI community.

#### BACKGROUND

12. Meeting Summary: UK hosted the sixteenth Proliferation

Security Initiative (PSI) Operational Experts Group (OEG) meeting in London on February 4-6, 2008. All twenty participants in the OEG attended (Argentina, Australia, Canada, Denmark, France, Germany, Greece, Italy, Japan, the Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Singapore, Spain, Turkey, United Kingdom, and the United States). Russia sent only a representative from its local embassy, claiming visa difficulties. The OEG focused on three main objectives: reviewing the first five years of PSI and identifying challenges for the future; outreach to non-OEG PSI partners; and enhancing the operational momentum of PSI. The agenda also included presentations and discussions on the 2005 SUA Protocol, the International Civil Aviation Organization (ICAO) amendment process, new national counterproliferation structures created to facilitate interministerial work within the Canadian government, a Germany-hosted PSI website, an update on the Financial Action Task Force (FATF), and the U.S.-hosted PSI fifth anniversary event planned for May 28-29 in Washington. The OEG heard presentations from three invited industry organizations, including Lloyds Maritime Intelligence Unit, the International Maritime Organization (IMO), and Hutchinson Ports (UK) Ltd. New Zealand distributed final copies of the PSI Model National Response Plan and countries were asked to describe their recent and planned outreach activities to non-OEG and non-PSI countries. Finally, delegations received an update on future PSI exercises. Break-out sessions were conducted on the legal, law enforcement, exercise and intelligence areas related to PSI. New this time, the UK

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organized the first ever joint legal/law enforcement breakout group. Items proposed by the U.S. included: a master PSI activities calendar to include exercises and outreach activities and the development of diverse unclassified PSI success stories for use at the PSI 5th Anniversary event in Washington, DC to be held May 28-29, 2008. For further detail, see Chairman's Statement in para (10).

13. Delegation: The U.S. delegation was led by Richard Douglas, OSD Deputy Assistant Secretary of Defense for Counternarcotics, Counterproliferation, and Global Threats. The delegation included representatives from the Office of the Secretary of Defense (Policy and General Counsel), the Department of State (ISN), the Joint Staff (J5 and Legal Counsel), U.S. European Command, U.S. Central Command, U.S. Pacific Command, U. S. Strategic Command, the Department of Homeland Security (Customs and Border Protection and Immigration and Customs Enforcement), the Federal Bureau of Investigation, the Department of Energy, and the Defense Intelligence Agency.

14. Introduction: Dr. Kim Howells, Minister of State of the UK Foreign and Commonwealth Office, welcomed PSI Operational Experts to London on February 4, 2008. The OEG was chaired by Commodore Simon Williams of the UK MOD. Dr. Howells suggested three primary areas for the OEG to consider: identifying priorities for future work based on an analysis of the successes achieved to date; outreach to countries that support PSI but that do not participate in the OEG; and renewed operational and practical work.

15. The OEG Process - 5 Years On: A key objective of the London OEG was to assess the first five years of PSI. OEG participants discussed PSI successes and the challenges to address for the future. Presentations emphasized the notable growth of PSI - in the number of endorsing countries from 11 at the start of the Initiative to over 85 presently - and identified key challenges including how to grow inclusively, how to sustain PSI's momentum and how to adapt to the changing proliferation threat. The ensuing discussion brought out a need to develop effective information strategies to various PSI audiences, including participants' own national governments, non-OEG PSI endorsing states, and media and the general public. Delegations were encouraged to develop a diverse set of unclassified PSI success stories to

complement those information strategies.

¶6. Outreach: The second priority of the London OEG was to focus efforts on assisting non-OEG PSI partners' understanding of and capabilities to support PSI activities. Presentations offered specific suggestions that OEG countries

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could consider to maximize effectiveness of outreach activities. Several delegations noted the need to increase coordination of outreach activities. All countries made brief presentations on their recent and planned outreach activities.

¶7. Enhancing Operational Momentum: The final objective of the OEG was to retrain the OEG's focus on operational progress. In this vein, several topics were raised, including capacity-building and technical assistance, a password-protected website that Germany created, and improvements to national organization structures that facilitate whole-of-government support for PSI. Additionally, delegations heard updates on the 2005 Protocol to the Convention on the Suppression of Unlawful Acts against the Safety of Maritime Navigation (SUA) and the International Civil Aviation Organization (ICAO) amendment process. The U.S. reminded delegations that the U.S. Executive Branch transmitted the 2005 SUA Protocols to the Senate in October 2007 and announced that the first briefing on the SUA Protocol to Senate staff was provided on January 23, 2008. It was well-received, and the Senate staff members expressed interest in receiving further information.

¶8. Turkey offered insights into some of the difficulty it experiences as the recipient of frequent requests for interdiction assistance, noting a need for more and better information and longer lead times for decision-making and options development. Turkey's intervention highlighted the perspectives of requested versus requesting parties in any interdiction case and the need for PSI partners to work together to devise mutually workable solutions.

¶9. The U.S. offered to do the following: (a) facilitate a virtual working group to coordinate outreach activities led by OEG countries; (b) collate responses to the legal non-paper on disposition and liability with a goal of creating a document that captures the OEG's understanding of the international and national laws that govern interdiction, disposition and liability; (c) host a conference and outreach event May 28-29, 2008 in Washington to commemorate the fifth anniversary of PSI; and (d) sponsor multi-day capacity-building workshops for non-OEG PSI partners.

¶10. Begin Chairman's Statement:

CHAIRMAN'S STATEMENT: PROLIFERATION SECURITY INITIATIVE  
OPERATIONAL EXPERTS GROUP MEETING LONDON, UNITED KINGDOM  
February 4-6, 2008

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¶1. The Proliferation Security Initiative (PSI) Operational Experts Group (OEG) met in London, United Kingdom from February 4th - 6th, 2008. Twenty OEG countries were present - Argentina, Australia, Canada, Denmark, France, Germany, Greece, Italy, Japan, Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Singapore, Spain, Turkey, the United Kingdom and the United States.

Welcoming Remarks

¶2. DR Kim Howells, Minister of State, Foreign and Commonwealth Office, welcomed PSI Operational Experts to London. DR Howells stressed UK's commitment to countering the

proliferation of Weapons of Mass Destruction, their means of delivery, and related materials, and the key role that PSI plays in this work. He emphasized the importance that, after nearly five years of work, the Group should develop fresh ideas to take its work forward. DR Howells identified three areas in particular where he believed there was scope for continued and vitalized development: fresh priority work in the future based on an analysis of the successes achieved to date; outreach to countries who support PSI but who do not participate in the OEG; and renewed operational and practical work.

#### The OEG Process - 5 Years on

13. The Group reviewed the successes achieved by the OEG since it was launched in 2003, and the challenges and key priorities for the future. The UK and Greece gave overviews of what had been undertaken and achieved since the launch of the group, emphasizing the high-paced tempo it has adopted from the start, how the Group has acquired deeper understanding of the best ways to approach the multifaceted nature of interdiction work, and how it has broadened its activities to ensure comprehensive coverage of interdiction work. The OEG had also been active in capacity building (for example, the production of the Model National Plan - which Portugal offered to translate - and the WMD Handbook) and in adopting flexible working practices to respond to the dynamic evolution of the proliferation threat.

14. The US, New Zealand and Poland set out the challenges and key priorities for the future. The principal challenges were seen as maintaining the success of the initiative whilst stimulating its increasing membership, sustaining the momentum of work, and adapting to new developments in the proliferation threat; the key priorities were seen as being to regionalize and deepen outreach, to align the exercise programme with prioritized operational issues, to develop knowledge using new tools. Turkey stressed the importance of

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accurate and timely intelligence-sharing, as well as adherence to the principle of control at origin. The OEG needed to remain alert to any need to develop fresh avenues of work, for example in identifying the scope for new elements of international legislation and new policy initiatives; there was also a need to develop a comprehensive media and public relations strategy to ensure that PSI was better understood by opinion formers and the wider public.

15. During the discussion some countries proposed a range of ideas which might contribute to increasing the effectiveness of the PSI, for example Regional OEGs, working groups or a focal point.

#### Outreach

16. The United States and New Zealand gave presentations on the opportunities and challenges of outreach to non-OEG PSI endorsees. It was emphasized that the OEG operates on behalf of all endorsing States, and that the priorities for outreach to these endorsing States should be: to improve their knowledge and dispel the myths of PSI; to improve Partners, capacity to contribute effectively to PSI counter-proliferation efforts and interdictions, in particular in linking agencies across Government to handle and respond to requests for assistance. It was noted that it would be important to vary the type of capacity building offered to Partners, and to ensure that there were regular opportunities for dialogue, including through regionally-based outreach. Equally, it was recognized that outreach was resource-intensive and that OEG Participants should look to combine their outreach efforts. New Zealand circulated both hard and e-copies of the finalized PSI Model National Response Plan as well as a 10-page summary of it.

17. A number of OEG Participants briefed on their recent

outreach activities. Poland briefed on the outreach undertaken as part of Exercise EASTERN SHIELD in 2007, and the seminars in the Black Sea and Gulf regions; further activity was being planned for 2008, including an exercise in Croatia. France briefed on Exercise GUISTIR, which took place in Djibouti, March 10-12 2008; this to include a seminar followed by a LIVEX, and its main aim would be outreach to Maghreb and Red Sea countries. Japan briefed on the outreach elements of Exercise PACIFIC SHIELD 07, which involved outreach to PSI Partners from Asia-Pacific, Middle East, and Europe, as well as to non-PSI endorsees; all parts of the exercise were fully open to all countries and the media, to allow a high level of discussion between those involved. Turkey briefed on Black Sea security, setting out a number of maritime security arrangements and initiatives in the region,

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including BLACKSEAFOR, Operation Black Sea Harmony, and Confidence and Security Building Measures in the Naval Field in the Black Sea.

¶8. Australia briefed on its outreach activity in the Asia-Pacific region, highlighting the need to have a good understanding of individual non-OEG Partners' concerns. Table-top exercises were seen as good outreach vehicles, in particular because they demonstrate the need for an inter-agency approach. Equally, outreach on PSI should be set in the wider context of maritime security.

9 In a Tour de Table, other OEG Participants briefed on the outreach activities they had undertaken recently, and their future plans. A recurrent theme was the need to co-ordinate PSI outreach activity with broader export-control and counter-proliferation outreach activities.

#### Enhancing Operational Momentum

¶10. In this session, the UK introduced its thoughts on enhancing operational momentum through presentations on the lessons process and the experience of HM Revenue and Customs in PSI. The UK offered to "streamline" the lessons database. We need to make sure that in operationalising PSI we achieve the aims of deterring proliferators.

#### Capacity Building/Technical Assistance

¶11. Australia updated the Group on the progress made by ICAO on the proposal to create a new transport offense for the carriage of WMD and related materials by air. A draft text to support this proposal had been circulated, and was being considered by a special sub-committee in Montreal in February ¶2008. Australia asked states to discuss the text and consult with relevant national authorities, prior to the Montreal meeting. Outreach to the Air Transport industry, both internationally and nationally, was being considered. The UK gave a presentation on its experience of establishing a Competent Authority for obtaining Flag-State consent for at-sea boarding under the Protocol to the Convention on the Suppression of Unlawful Acts at Sea, setting out the information a Competent Authority would need in order to come to rapid decisions on consent, and the parallels with the system already in place for granting boarding consent under counter-narcotics legislation.

#### National Organization

¶12. Canada provided an update on its national CP coordination structure, which had been instrumental in facilitating strong

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interagency coordination and cooperation on the full range of CP issues and activities. Turkey briefed on the establishment of a national Naval CBRN detection team, which would be used to augment maritime boarding teams. Singapore briefed on the



changes to their Strategic Goods (Control) Act which come into effect in January 2008, to allow all items controlled under the four international export control regimes to be covered in its national legislation; outreach to Singaporean industry had been conducted as part of the programme of implementation of these amendments.

#### Classified OEG website

¶13. Germany briefed on the development of a classified PSI website, which would provide access to a full range of PSI tools, including OEG points of contact, a master event list, OEG Chairman's statements, PSI Law Library, the PSI Model Response Plan, and the Exercise Lessons Learned.

#### Updates

¶14. The UK updated the Group on the work being undertaken by the Financial Action Task Force (FATF) on Proliferation Finance. Work was being undertaken to develop a typology for Proliferation Finance, which was due to be finalized in June 2008; this would form the starting point for future guidance. In the longer term, FATF would undertake work on broad-based prohibitions, which would be informed by the conclusion of the work on typologies. Furthermore, the Plenary meeting of FATF in February 2008 would discuss adding Proliferation Finance to the Task Force's regular mandate.

#### Break-Out Group Reports

##### OEG Legal Breakout Session.

¶15. Presentations were given by:

-- Greece on the implementation of the SUA Protocols in the Greek legal system.

-- Japan on domestic legal issues highlighted by their Pacific Shield exercise.

-- Australia on air transport offenses in relation to possible amendments to the Montreal Convention which would be discussed further in ICAO in two weeks' time.

-- The US on the overflight consent matrix; its domestic implementation of the 2005 SUA protocols and Law of the Sea Convention; the PSI Law Library; its non-paper on

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interdiction, disposition and liability; and its views on liability incurred during maritime interdictions.

-- The UK on the Super gun case.

-- The Greek presentation on the implementation of the SUA Protocols generated lively discussion on its liability provisions in article 8bis(10)(b). A number of countries explained that liability issues still remained for them.

¶16. It was agreed that the US non paper on the International Legal Framework for Interdiction, Disposition and Liability circulated at the Rhodes OEG provided a useful framework for PSI partners to set forth domestic considerations they may have with regard to interdiction, disposition, and liability.

The US agreed to collate any responses with a goal of creating a document that captures the OEG's understanding of the international and national law that governs interdiction, disposition and liability.

##### OEG Law Enforcement Breakout Session

¶17. Presentation on a new type of procurement network from the US Federal Bureau of Investigation. OEG law enforcement group learned about a new type of procurement method using Internet mail forwarding companies, originally set up for legitimate purposes, that use virtual offices for reshipping

schemes to enable proliferators to evade export controls. Proliferators can place orders for controlled items manufactured in the US and arrange for shipment to the US mailing address for the virtual office. Goods are photographed and placed on a password protected website enabling the proliferators or foreign clients to view the items in the first instance. Goods are then shipped to overseas addresses evading export controls and foreign import restrictions. To date, this system has identified goods such as missile & electronic components & conventional firearms procured using this system.

A variation on this scheme has been identified whereby the virtual office clones a manufacturer's website and adds its own company name as a legitimate distributor for the manufacturer's goods. When the manufacturer "googles" and checks the company name it will come up as a legitimate distributor for type of goods concerned - due to the cloned website.

#### ¶18. Presentation on the UK's UNSCR Enforcement Plan.

-- UK's presentation focused on 3 specific areas: 1) the development of an Iran action plan 2) risk profiling and 3) the identification of high risk dual use goods for export.

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-- The action plan was developed to ensure implementation of UNSCRs and at the same time assess HMRC's current activity and capability in this area. The plan involved the development of a risk picture using a systematic method of capturing information on entities dealing and exporting high risk goods to Iran and known diversionary countries from a variety of different sources. A list of UK companies was formulated & risk assessed for visits by compliance officers - focusing on non compliance with export controls (e.g. lack of understanding through ignorance) to deliberate attempts to evade controls. Work is still ongoing and results are yet to be assessed but the plan has placed a greater UK compliance focus and tightening of controls on goods exported to Iran.

-- Complementing the compliance plan, UK discussed the conduct of an exercise last year focusing on 2 key risk areas : 1) aircraft parts to Iran 2) selected CN Commodity Codes on the EU dual use list correlation table. Automated risk profiling was used and results were encouraging; over 200 consignments were inspected and 8% of these warranted further investigation.

¶19. The group discussed pros and cons of automated profiling noting in particular the importance of officers' own initiative when profiling. Automation was no substitute for this. Also, it cannot target goods in transit nor does it allow for the checking of all relevant documentation concerning the movement of goods. On the positive side it allowed for new risks and profile changes to be made quickly and allowed Customs Officers to be deployed on other work.

¶20. In summary, OEG LE members felt that whilst the use of traditional customs techniques based on customs data can be a good profiling tool that yielded positive results, it was no substitute for enforcement activity predicated on quality and specific intelligence. That said, countries acknowledged the importance of profiling work and focused exercises from time to time, as it enabled law enforcement agencies to concentrate on areas that for a variety of reasons, might lack enforcement attention.

-- One OEG member is currently developing risk analysis tools to help tighten export controls - using details of end users, brokers, suspect end users and exporters.

¶21. Joint presentation from Norway and UK - very recent case study concerning dual use goods to Iran demonstrating excellent cooperation between Norwegian, British and third country authorities.

-- The investigation concerned the procurement of 14 gyrocompasses capable of being used as internal components of ballistic missiles. The goods, manufactured in France, were exported from the UK to Iran - some via Norway and an attempt to export the items via a third country without requisite export licenses. The investigation resulted in the successful prosecution of the UK proliferator who is currently awaiting sentence and a criminal investigation in Norway against a customs agent which is yet to be concluded. Importantly the case resulted in the recovery of 9 of the items although 5 did in fact successfully reach Iran. An interactive session considered the differing export control interpretations between countries and licensing regimes, investigative options open to the investigators during the lifecycle of the investigation and transshipment powers. Both UK and Norway posed whether the case could be deemed successful given the fact that 5 items did get through to a country of concern.

-- OEG LE members concluded that it was a success; the fact that a proliferation network had been identified, had been successfully prosecuted and shut down and nearly 70% of the gyrocompasses were prevented from reaching their ultimate destination was testament to this. Celebration and publication of successes were also important deterrent tools for governments and it was important for law enforcement to use these where possible. Analysis of the case did identify a disconnect between Intelligence and Law Enforcement channels - the speedy dissemination of intelligence was crucial to allow Law Enforcement officers sufficient time to assess whether time critical enforcement action was feasible. In this case, it was arguable that information could have been passed from Customs to Customs using mutual assistance agreements; this would have speeded up intelligence flows. However, an important point was the fact that an interdiction made by one Customs Authority (which involved initiative and tenacity on the part of its officers) was passed on to other affected customs authorities in a timely manner. This stimulated a short debate on licensing authorities and the benefits that might be derived from up-skilling their officials in law enforcement requirements as an aid to enforcement action - in particular the prompt sharing of information. There was also a short debate on the issue of denial notices and the differing stances taken by OEG countries in relation to compliance visits undertaken to affected traders.

#### Other issues

122. The group briefly discussed whether or not there was a requirement for procurement typologies to be circulated within OEG countries. This was considered problematic due to

sensitive issues that were often intrinsically connected to investigations.

123. An interesting presentation was conducted by the US Department of Energy in relation to non dual use listed commodities that were capable of having an application in a nuclear program and how the WMD handbook could be used to support PSI actions.

124. The format of the law enforcement breakout differed from previous breakouts in that it did not include a common scenario but focused on a recent real life investigation that considered what went well, what went not so well, learning points and the importance of international collaboration. The UK questioned whether or not there was a continuing need for a common scenario and whether discussing real life cases was more beneficial. Participants were invited to provide feedback on the content and style of the breakout session for the next OEG in Paris.



## OEG Intelligence Breakout Session

¶25. The intelligence Breakout Group addressed a variety of new challenges. Partners were briefed on Iranian shipping by the United States and on developments in maritime and air transportation in North Korea by the United Kingdom. The United Kingdom also briefed partners on new developments in commercial shipping.

¶26. Partners were requested to consider the exchange of data on North Korean and Iranian shipping within existing international law, and to exchange data on a national basis in the interim. The UK agreed to put forward proposals with a view to this scheme being implemented by the next OEG.

¶27. Australia briefed partners on national measures to assess risk in respect of Intangible Technology Transfer with particular references to visa applicants. The United Kingdom provided partners with background material to be used, as required, in national and outreach PSI exercises. Partners reviewed previous 'lessons identified', and agreed that those relating to the need for realistic intelligence play in exercises, and the importance of exchanging information in a timely and secure manner remained the most relevant. For the first time, Partners engaged in a "Red Teaming" exercise to identify future proliferation-related transportation trends over the next five years. All agreed that this was a success. Partners also identified a wide range of achievements by the intelligence breakout group, especially in relation to increased co-operation between the intelligence, and

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enforcement, communities; along with more realistic exercise scenarios.

## OEG Exercise Breakout Session

¶28. Discussions in the Exercise Breakout centered around 4 main topics: the PSI exercise schedule; the lessons identified; taking exercises forward and; exercise briefs and debriefs.

### Exercise Schedule:

¶29. The schedule was updated. Taking up the task from the main plenary discussion centered around expanding the exercise schedule to be a PSI Master Events List (MEL). There was consensus that this should be looked after by one country and be hosted on the PSI German website although it is recognized there will be a requirement for technical issues to be resolved.

-- The MEL format should develop from the current version and should include OEGs, Exercises, Outreach and Industry Events. Australia has offered to investigate co-coordinating the MEL, and will liaise with OEG states in the lead-up to the Washington 5th year anniversary meeting.

### ¶30. Lessons:

-- The UK introduced the lessons database noting that a lot of issues discussed in main OEG plenary were contained on the database. The UK asked nations to consider the usefulness of the database including its format and discussion centered around breaking out Strategic, Operational Tactical lessons; differences between Land, Air and Maritime and; incorporation into exercises.

-- There was also discussion about how to share lessons and promulgate them to other OEG products like the MNRP. The UK will refresh the database on an inter-sessional basis and discuss how to make it more accessible to other OEG nations and evaluate its use in developing capacity in other nations.

-- Nations were asked to continue to review the Lessons database and to prioritize lessons.

131. Exercises:

-- The US introduced incorporation of PSI into existing exercises to efficiently strengthen non-proliferation, national capacity and promote outreach. This effort must be carefully crafted so as not to interfere with larger non-PSI

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exercise goals or dissuade participating nations based on political sensitivities.

-- Australia gave a presentation on the use of table top exercises which the group saw had great utility. Further discussion highlighted the need to maintain the panoply of different exercises.

132. Exercise Briefs:

-- NZ gave a presentation on their forthcoming exercise MARU to be held in Auckland from 15-19 September 2008. Following on from a LIVEX, there will be a table-top exercise which will focus on disposition issues. It will also feature an outreach element. Japan and Poland debriefed their recent exercises Pacific Shield and Eastern Shield.

133. In summary the UK chair identified the following actions:

- Develop a Master Events List (MEL) (Australia).
- Develop the lessons database (identify top 15 lessons) (UK).
- Continue to address lessons in exercises (All).

Law Enforcement/Legal Joint Breakout Session.

34 Presentations were given by:

-- The UK on the results from the intelligence as evidence questionnaire. It was agreed that the work was useful but so far only eight responses had been received. Delegates were urged to provide their response to the UK in time for the next OEG when a more meaningful analysis can be given. Canada said that they were awaiting the results of a Government Inquiry into the Air India case which could have an impact on their current perspective.

-- New Zealand on the offenses in the SUA Protocol and the challenges that they present for a potential prosecution, especially in relation to dual use goods. This sparked an interesting debate on how PSI partners would implement the Protocol in domestic legislation, especially considering the different legal systems that applied.

-- The UK on a recent prosecution for a trafficking and brokering of arms offense for which a UK national pleaded guilty and was subject to a custodial sentence and confiscation order representing his benefit from the trade. The presentation highlighted the importance of information sharing with foreign partners even where no formal legal agreements were in place and the importance of inter agency

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co-operation. Without this the prosecution could not have taken place.

5th Anniversary meeting

135. The US gave a presentation on the forthcoming 5th year Anniversary meeting of PSI in Washington on May 28 and 29. The first day will be a substantive conference of all PSI states, with participation at deputy foreign minister level. The second day will comprise a PSI outreach workshop at

expert-level. The first day will assess the first 5 years of PSI and look ahead at ways to strengthen the initiative, outreach being a major feature of this. The second day will combine efforts to support PSI activity by all endorsees as well as increasing support for the initiative by non-participants.

#### Preview of next OEG meeting

¶36. France provided further detail on their offer to host the next OEG meeting in Paris from 24-26 September. This OEG will follow on from the London OEG and the Washington 5th year anniversary meeting, and will coincide with France's presidency of the EU.

#### Industry Outreach Workshop "Trust and Innovation"

¶37. As part of the OEG meeting, an Outreach Workshop with industry was held.

-- Poland, Norway and Denmark gave presentations on their recent activities in outreach to their national industries. Poland had held a PSI Industry Day in January 2008, which had included representatives from shippers, haulers and air and sea port authorities. The outreach covered international legal instruments, export control legislation, transfers of intangible technologies, and the PSI principles. Norway had developed a "Prevent Programme" industrial outreach strategy, which included visits to industry, and educational programmes, such as export control seminars. Denmark gave a two-fold presentation on industry outreach. The first part touched on the importance of preventing proliferation at the earliest time possible by performing outreach to industry involved in production, development, research and export. The latter part showing an example of dialogue and co-operation with the transportation industry, once goods of proliferation concern have entered into the transportation industry segment.

-- A representative from Lloyds Maritime Intelligence Unit gave a presentation on Information Flows in Shipping.

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Shipping information assists maritime domain awareness and should be seen by business as a facilitator rather than a drain on resources. The global Automated Identification System would be a major step forward in generating this domain awareness. Equally, there needed to be trust between Government and industry to provide the confidence that sensitive information passed by industry would be treated appropriately. Suppliers should be given incentives to provide information, for example by granting fast-track clearance, or official validation.

-- A representative of the International Maritime Organization (IMO) gave a presentation on developments in International Maritime Security. The IMO Diplomatic Conference in 2002 agreed to strengthen maritime safety and security including detecting and deterring acts that threaten security. Co-operation between the IMO and the International Labour Organization has resulted in a joint code practice on security in ports; equally, co-operation between the IMO and the World Customs Organization had brought Governments and business together to discuss security and safety. It was important that Governments now moved forward to ratify the 2005 Protocol to the Convention on the Suppression of Unlawful Acts at Sea, incorporate the offenses into national legislation, and established a national Competent Authority for granting Flag State consent for boarding. There was already a potential source of best practice on granting Flag State consent in the work undertaken to implement Article 17 of the 1988 Vienna Convention.

-- A representative of Hutchinson Ports (UK) LTD gave a presentation on Supply Chain Security. The information flows that support supply chain security bring not only commercial

and national security benefits, but also bring commercial efficiency benefits in terms of inventory management and asset utilization. The International Ship and Port Facility Security (ISPS) Code was an important tool for improving port security and in encouraging the monitoring of what was coming into ports. Other important data supplies could be obtained from radiation detection systems and container imagery; these sources of information would be enhanced through extended data integration.

#### 138. ANNEX: SUMMARY OF OEG ACTION ITEMS

##### The OEG Process - Five Years On

Participants are asked to:

a) work up examples of successes and benefits of PSI that could be released to the public, especially examples that

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could be used at the Washington 5th anniversary meeting. Such examples would be useful in outreach and in getting other countries to endorse PSI. It was agreed that there was no single metric of success: examples of success could include specific interdictions, or improvements to national capacities and capabilities;

b) Organise a workshop to develop a PSI media strategy, including messages for think tanks, international organizations and academics, as well as for non-endorsees and the wider public. This workshop should reflect input from Participants' own media or communications experts;

c) give consideration through the Legal Experts to whether there were opportunities to strengthen the existing international legal framework relevant to PSI actions and its implementation;

d) review the trial classified OEG website hosted by Germany and make comments and recommendations.

e) provide feedback and updates to the Flag State consent and Technical Verification capabilities matrices to Singapore.

##### Outreach

Participants are asked to:

a) develop a Calendar of outreach activities for 2008 in time for the Washington High Level Political Meeting. This should be done through the website being developed by Germany;

b) contribute to a small virtual Working Group established by the US to develop a strategy for outreach to non-OEG endorsees, including how OEG Participants might combine their efforts, and giving particular attention to the knowledge base amongst some PSI Participants and the need to address how Participants might handle and respond to requests for assistance in an interdiction. Such a strategy should address how Participants could pool their strengths to make outreach most effective;

c) make an outreach event part of the standard structure of future OEG meetings;

d) give further consideration to regional OEG meetings.

##### Industry Outreach: "Trust and Innovation"

Participants are asked to:

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a) take steps to promote timely ratification of the 2005

Protocol to the Convention on the Suppression of Unlawful  
Acts at Sea;

b) consider how industry may be encouraged to take a positive  
view of PSI activity, including through outreach activities;

c) take forward Government-Industry PSI exercises.

End Chairman's Statement

POINTS OF CONTACT

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11. Please slug responses for OSD GSA (Beth Flores) and  
State/ISN/CPI (Carlos Guzman). USG POC for PSI Operational  
Experts Group issues is Beth Flores, OSD/GSA. USG POC for  
operational legal matters is Chip Wedan, DOD/OGC. USG POC for  
PSI policy issues is Carlos Guzman, State/ISN/CPI.  
RICE